

Agency Activity Inventory by Agency

Appropriation Period: 2005-07 Activity Version: Governor's 2005-07 Budget - New Law

Agency: 165 - State Board of Accountancy

Regulation of Public Accountants

As required by RCW 18.04, the Board of Accountancy issues licenses to Certified Public Accountants (CPAs), CPA firms, and firm owners to ensure public protection and the reliability of financial information. The board establishes and audits compliance with education, examination, good character, ethics, and experience requirements prior to licensure. The board administers and grades the CPA examination of each Washington State applicant. To ensure CPAs continue to meet established standards of performance and ethics requirements, the board reviews Washington CPAs, reviews and monitors charges by other states against Washington CPAs and firms, and audits compliance with continuing professional education requirements. The board provides general and specific consumer protection information and is funded by license fees paid by CPAs, firms, and firm owners.

Statewide Result Area: Improve the economic vitality of businesses and individuals

Category: Provide consumer protection

FY 2006				FY 2007			
Total	GFS	Other	FTEs	Total	GFS	Other	FTEs
\$878,000	\$0	\$878,000	7.6	\$770,000	\$0	\$770,000	7.6

Expected Results:

To undertake on-site field review of 60 percent of firms receiving an unacceptable review grade. To reach 60 percent of Washington's population with consumer awareness information.

Output Measure: Undertake an on-site field review of 60% of CPA firms receiving an unacceptable Quality Assurance Review grade.

FY02 Actual	FY03 Actual	FY04 Actual	FY05 Estimate	FY06 Proposed	FY07 Proposed
0%	0%	55%	60%	60%	60%

Output Measure: Publish public accountant consumer awareness information reaching 60% of the population in Washington state.

FY02 Actual	FY03 Actual	FY04 Actual	FY05 Estimate	FY06 Proposed	FY07 Proposed
0%	0%	70%	60%	60%	60%

Investigation of Public Accountants

As required by RCW 18.04, the Board of Accountancy investigates Certified Public Accountants (CPAs), CPA firms, and firm owners in response to complaints regarding their compliance with technical and ethical standards established by: the Financial Accounting Standards Board, the Federal Accounting Standards Board, the Governmental Accounting Standards Board, the Cost Accounting Standards Board, the Federal Accounting Standards Advisory Board, the U.S. General Accounting Office, the federal Office of Management and Budget, the Securities and Exchange Commission, the Internal Revenue Service, the American Institute of Certified Public Accountants, other federal and state agencies, the Public Accountancy Act, and board rules. The board also investigates and takes action against individuals illegally posing as CPAs. The board's investigations provide legal evidence for board enforcement action against CPAs, CPA firms, firm owners, and non-CPAs who violate the above-listed technical and ethical standards, and federal and state laws, regulations, and rules. The investigations are funded by license fees paid by CPAs, CPA firms, and firm owners.

Statewide Result Area: Improve the economic vitality of businesses and individuals

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Category: Provide consumer protection

FY 2006				FY 2007			
Total	GFS	Other	FTEs	Total	GFS	Other	FTEs
\$99,000	\$0	\$99,000	1.7	\$219,000	\$0	\$219,000	1.7

Expected Results:

Output Measure: Maintain an average caseload of 50 active investigations of public accountants.

FY02 Actual	FY03 Actual	FY04 Actual	FY05 Estimate	FY06 Proposed	FY07 Proposed
162	128	25	50	50	50
